

CITY OF READING
BERKS COUNTY, PENNSYLVANIA

RESOLUTION 12-2010
Adopted January 25, 2010

I, LINDA A. KELLEHER, City Clerk of the
of Reading, Pa., do hereby certify, that the f
going is a true and correct copy of the orig
Resolution passed by the Council of the Cit
Reading, on the 25 day of Jan
A. D. 2010. Witness my hand and seal of
said City this 27 day of Jan A. D. 2010
Linda A. Kelleher
CITY CLERK

AUTHORIZING THE ISSUANCE OF A TAX AND REVENUE ANTICIPATION NOTE, SERIES OF 2010 IN A PRINCIPAL AMOUNT OF SIX MILLION TWO HUNDRED THOUSAND DOLLARS (\$6,200,000); PROVIDING FOR THE DATED DATE, INTEREST RATE, MATURITY DATE, PAYMENT AND PLACE OF PAYMENT IN RESPECT OF THE NOTE; ACCEPTING THE PROPOSAL ATTACHED HERETO AS EXHIBIT "B" FROM THE FINANCIAL INSTITUTION OR ENTITY NAMED THEREIN FOR THE PURCHASE OF THE NOTE; NAMING A SINKING FUND DEPOSITARY/PAYING AGENT; AUTHORIZING THE PROPER OFFICERS OF THE CITY TO EXECUTE AND DELIVER THE NOTE AND CERTAIN OTHER DOCUMENTS AND CERTIFICATES IN CONNECTION THEREWITH; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING OF THE NECESSARY DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF PENNSYLVANIA; SETTING FORTH A FORM OF THE NOTE.

WHEREAS, City of Reading, Berks County, Pennsylvania (the "City"), anticipates receiving taxes and other revenues during the fiscal year ending December 31, 2010, which taxes and other revenues are currently uncollected; and

WHEREAS, the City has estimated, on a monthly basis, its expected taxes, revenues and expenditures for the fiscal year ending December 31, 2010, and has determined that during a portion of such fiscal year it will experience a "cumulative cash flow deficit" as such phrase is defined in the regulations promulgated under Sections 103 and 148 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the City has determined to borrow monies for the purpose of funding, in part, such cumulative cash flow deficit by issuing a note to be repaid from the anticipated taxes and revenues, all in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, Act 53 Pa.C.S., Chapters 80-82, as reenacted and amended (the "Debt Act"); and

WHEREAS, the City has received an acceptable proposal for the purchase of its Tax and Revenue Anticipation Note as hereinafter described; and

WHEREAS, as required by Section 8126 of the Debt Act, officials of the City have heretofore made an estimate of the taxes and revenues to be received during such fiscal year ending December 31, 2010, and, by their execution of a certificate with respect thereto dated this date, have certified to such estimate.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Reading, Berks County, Pennsylvania (the "Council"), in lawful session duly assembled, as follows:

Section 1. For the reasons and purposes recited above, the City hereby exercises its power and authority to borrow money and authorizes the issuance and sale of its Tax and Revenue Anticipation Note, Series of 2010, in the principal amount of Six Million Two Hundred Thousand Dollars (\$6,200,000) (the "Note") in anticipation of the receipt of current taxes and revenues during the fiscal year ending December 31, 2010, such Note to be issued, sold and delivered as hereinafter provided.

Section 2. The Mayor and the City Clerk are hereby authorized and directed, in the name and on behalf of the City, to prepare and file with the Department of Community and Economic Development of the Commonwealth of Pennsylvania a certified copy of this Resolution, a certificate setting forth the taxes and revenues to be collected in the fiscal year ending December 31, 2010, and a true copy of the accepted Proposal (hereinafter defined) for the purchase of the Note, all as set forth in and required by Section 8128 of the Debt Act. The Mayor and the City Clerk are also hereby authorized and directed, in the name and on behalf of the City, to prepare and verify a certificate, in accordance with Sections 103 and 148 of the Code and the regulations applicable thereto, setting forth the anticipated use of the proceeds, to prepare and deliver to the Purchaser of the Note the certificate required by Section 8127 of the Debt Act relating to the total amount of the City's tax and revenue anticipation notes outstanding on the date of delivery of the Note, and to take any and all other action, and to execute and deliver any and all other documents and instruments, as may be necessary, proper or desirable to effect the issuance and sale of the Note as contemplated herein. The certification made on the date of adoption of this Resolution by the aforementioned officials of the City, relating to the amount of taxes and other revenues remaining to be collected by the City in the fiscal year ending December 31, 2010, is hereby ratified and approved.

Section 3. The Note shall be designated "City of Reading, Berks County, Pennsylvania, Tax and Revenue Anticipation Note, Series of 2010", shall be in registered form, without coupons, shall be prepayable prior to maturity, shall be in the denomination of Six Million Two Hundred Thousand Dollars (\$6,200,000), shall be dated the date of issuance, shall bear interest at the rate of interest set forth in the Proposal from the date of delivery until maturity, shall mature on September 30, 2010, and shall be payable as to principal and interest at the place and in the manner and be otherwise in substantially the form set forth in the form of Note attached as Exhibit "A" hereto and the Proposal attached as Exhibit "B" hereto.

Section 4. The Note, when issued, will be a general obligation of the City.

Section 5. The Note shall be executed by the Mayor and the City Clerk and shall have the corporate seal of the City affixed thereto. The Mayor and the City Clerk are further authorized and directed to deliver the Note to the Purchaser hereinafter named upon the terms and conditions hereinafter provided and to execute and deliver such other documents and instruments and to take such other action as may be necessary or appropriate to effect the issuance and sale of the Note in accordance with this Resolution and the Debt Act.

Section 6. The Note, together with any other tax and revenue anticipation notes issued, or to be issued, by the City during the City's fiscal year ending on December 31, 2010, shall, upon issuance thereof, be equally and ratably secured by a pledge of, security interest in, and a lien and charge on, the taxes and other revenues to be received by the City during the period when the Note is outstanding; and the Mayor and the City Clerk are hereby authorized and directed to prepare and file, or to have filed, such financing statements as may be necessary to fully perfect such pledge, security interest, lien and charge pursuant to the Pennsylvania Uniform Commercial Code and Section 8125 of the Debt Act.

Section 7. The City hereby covenants that it will not make any use of the proceeds of the Note or do or suffer any other action which, if such use or action had been reasonably expected on the date of issuance of the Note, would cause the Note to be an "arbitrage bond" or a "private activity bond" as such terms are defined in Section 148 or Section 141 of the Code and the regulations applicable thereto and further covenants that it will comply with Section 148 and Section 141 of the Code, and with any regulations applicable thereto, throughout the term of the Note, including without limitation, any requirements relating to a rebate of certain excess earnings pursuant to Section 148(f) of the Code of any regulations applicable thereto now existing or promulgated hereafter. In connection therewith, the Mayor and the City Clerk are hereby authorized and directed to execute and to deliver, in the name and on behalf of the City, any and all documents or other instruments which Stevens & Lee, Bond Counsel, may reasonably request to provide its opinion that the Note is not an "arbitrage bond" or a "private activity bond" within the meaning of Section 148 and Section 141 of the Code and the regulations applicable thereto.

Section 8. The formal proposal (the "Proposal") of the lender identified therein (the "Purchaser"), presented to the Council is attached hereto as Exhibit "B", is hereby accepted and the Note is hereby awarded to the Purchaser at a private sale for the purchase price of \$6,200,000. The terms of the Proposal are incorporated herein by reference with the same effect as if set forth in full at this place. The Mayor and the City Clerk are hereby authorized and directed to, accept the Proposal, in the name of and on behalf of the City, by executing the City's acceptance on an original copy of the Proposal, to deliver a copy of the same to the Purchaser and to file the original with the records of the City. The Mayor and the City Clerk are hereby authorized to deliver the Note to the Purchaser upon receipt of the full principal amount of the purchase price for such Note and upon compliance with all conditions precedent to such delivery as required by the Debt Act, this Resolution and the Proposal; and such Mayor and City Clerk are hereby authorized and directed to prepare, verify and deliver to the Purchaser concurrently with the delivery of the Note, the certificate required by Section 8127 of the Debt Act, a copy of which certificate shall be retained with the records of the City until all tax and revenue anticipation notes issued by the City during the fiscal year ending on December 31, 2010, shall have been paid in full.

Section 9. The form of the Note shall be substantially as set forth and attached hereto as Exhibit "A," which form is hereby incorporated by reference and adopted as it fully recited at length herein and said form is hereby approved by this Council.

Section 10. The proper officers of the City are hereby authorized, empowered and directed to contract with a bank or bank or trust company authorized to do business in the Commonwealth of Pennsylvania (the "Paying Agent") for its services as paying agent and

sinking fund depository in accordance with the terms of the Proposal, this Resolution and the Debt Act. The proper officers of the City are hereby authorized to establish a sinking fund for the Note with the Paying Agent for the benefit of the holder of the Note. The City Controller or other proper officer of the City is hereby authorized and directed to make deposits to the sinking fund to be held for the payment of principal and interest on the Note no later than the date of final maturity thereof.

Thereafter, the Paying Agent shall, without further authorization or direction from the City or any of its officials, withdraw moneys from the sinking fund and apply such moneys to the payment of principal and interest then due on the Note. Deposit by the City into the sinking fund of the full amount of such money shall satisfy in full the obligation of the City to pay principal and interest with respect to the Note.

Section 11. Stevens & Lee, a professional corporation, is hereby appointed Bond Counsel in connection with the issuance and sale of the Note.

Section 12. The City Controller or other proper official of the City is hereby authorized and directed to pay at, or subsequent to, the closing for the issuance of the Note, all costs and expense of the issuance incurred by or on behalf of the City or required to be paid by the City, all in accordance with the provisions of the Purchaser's proposal.

DULY ADOPTED, THIS 25TH DAY OF JANUARY, 2010, BY THE
COUNCIL OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA, IN
LAWFUL REGULAR SESSION DULY ASSEMBLED.

CITY OF READING
Berks County, Pennsylvania

(SEAL)

By:

Vaughn D. Spencer, President of Council

Attest:

Linda A. Kelleher CMC, City Clerk

EXHIBIT "A"

FORM OF NOTE

R-1

\$6,200,000

CITY OF READING
BERKS COUNTY, PENNSYLVANIA
TAX AND REVENUE ANTICIPATION NOTE
SERIES OF 2010
DATED JANUARY __, 2010

The City of Reading (the "City"), Berks County, Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby promises to pay to Wachovia Bank, National Association (the "Purchaser"), on September 30, 2010, the principal sum of Six Million Two Hundred Thousand Dollars (\$6,200,000), plus accrued interest thereon, computed at a fixed rate of 2.30% per annum. Both the principal of and interest on this Note shall be payable in lawful money of the United States of America upon presentation and surrender of this Note at the office of the Purchaser (also, the "Paying Agent") in Reading, Pennsylvania.

The City has the option to prepay principal or any payment of interest at any time prior to the respective payment date thereof, without notice or penalty.

This Tax and Revenue Anticipation Note, Series of 2010 (the "Note"), is authorized and issued in the principal amount of \$6,200,000 in accordance with the provisions of the Local Government Unit Debt Act of the Commonwealth, as codified by the Act of December 19, 1996, P.L. 1158, No. 177 (the "Act"), and pursuant to a resolution, dated January 25, 2009 (the "Resolution"), duly adopted by the City and filed, together with other required documents, with the Pennsylvania Department of Community and Economic Development. Reference is hereby made to the Act and the Resolution for a complete statement of the rights and limitations of rights of owners of the Note, to all of which the owner hereof by acceptance of this Note assents.

This Note is issued under and in accordance with the Act, for the purpose of providing funds for current expenses payable in the current fiscal year in anticipation of the receipt of taxes and other revenues by the City from the date of original delivery of the Note to the stated maturity date thereof.

This Note is secured under the Resolution by the pledge of, security interest in and a lien and charge on the taxes and other revenues of the City specified in the Resolution to be received during the period when the Note is outstanding, together with all proceeds thereof. Such pledge, security interest, lien and charge have been perfected and are enforceable in the manner provided by the Act.

The City has covenanted that it will deposit in the sinking fund for the Note established by the Resolution with the Paying Agent such amounts as will be sufficient to pay the principal of and interest on the Note issued pursuant to the Resolution as and when the same

shall become due and payable, and such sinking fund shall be applied exclusively to such purpose.

The Purchaser shall have the right to exercise the remedies set forth in the Act. Any failure by the Purchaser to exercise any right or privilege hereunder shall not be construed as a waiver of the right or privilege to exercise such right or privilege, or to exercise any other right or privilege, at any other time, and from time to time, thereafter.

In the Resolution, the City has covenanted that it will not make any use of the proceeds of the Note or take or omit to take any other action which would cause the Note to be an "arbitrage bond" or a "private activity bond" as such terms are defined in Sections 148 and 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations promulgated with respect thereto, including, but not limited to, provisions regarding the use or investment of the proceeds of the Note and the rebate requirements in Section 148(f) of the Code.

No recourse shall be had for the payment of the principal of or interest on this Note, for any claim based hereon or on the Resolution any member, officer or employee, past, present, or future, of the City or of any successor body, as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Note.

It is hereby certified that all actions required by the Act to be taken to render this Note valid and obligatory have been taken pursuant to the Act, that all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed precedent to and in the authorization and issuance of this Note exist, have happened and have been performed in regular and due form and manner as required by law; and that all existing indebtedness of the City is within every limitation prescribed by the Constitution and the statutes of the Commonwealth.

IN WITNESS WHEREOF, the City has caused this Note to be executed by its Mayor, its seal to be hereunto affixed and the same to be attested by the City Clerk.

(SEAL)

CITY OF READING,
Berks County, Pennsylvania

By: 

Mayor

Attest: 

City Clerk

EXHIBIT "B"

PROPOSAL FOR PURCHASE OF NOTE

\$6,200,000
CITY OF READING
BERKS COUNTY, PENNSYLVANIA
TAX AND REVENUE ANTICIPATION NOTE
SERIES OF 2010

CERTIFICATE AS TO TAXES AND REVENUES TO BE COLLECTED

Pursuant to Section 8126 of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as reenacted and amended, the undersigned official of the City of Reading, Berks County, Pennsylvania (the "City"), in connection with the proposed issuance by the City of its Tax and Revenue Anticipation Note, Series of 2010, in a principal amount of \$6,200,000 (the "Note"), hereby certifies as follows:

1. The undersigned has carefully estimated that the following amounts will be received by the City from taxes and revenues (including, without limitation, subsidies and reimbursements) during the period when the Note will be outstanding, through September 30, 2010, the maturity date of the Note:

<u>Month</u>	<u>Receipts</u>
January	\$3,065,299
February	3,065,299
March	6,219,547
April	9,306,727
May	6,219,547
June	6,219,547
July	6,469,853
August	4,673,935
September	<u>3,382,674</u>
Total Receipts	\$48,622,248

2. In making the foregoing estimate, the undersigned has duly considered the past and anticipated collection experience of the City and current economic conditions.

IN WITNESS WHEREOF, the undersigned has set his hand as of January 25, 2010.

(SEAL)

CITY OF READING,
Berks County, Pennsylvania

By: _____

Mayor

Attest: _____

City Clerk

January 25, 2010

Department of Community and Economic Development
Office of Chief Counsel
Commonwealth of Pennsylvania
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Re: City of Reading, Berks County, Pennsylvania
\$6,200,000 Principal Amount Tax and Revenue Anticipation Note, Series of 2010

Ladies and Gentlemen:


Pursuant to Section 8128 of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, P.A.C.S. 53, Chapters 80-82 (the "Act"), we enclose and hereby certify that each of the following documents is a complete and accurate copy of such document in connection with the issuance by the City of Reading, Berks County, Pennsylvania (the "City"), of its \$6,200,000 principal amount Tax and Revenue Anticipation Note, Series of 2010:

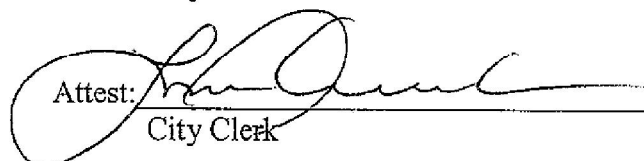
1. An originally executed copy of the Resolution adopted by the Council of the City authorizing and awarding the sale of the Tax and Revenue Anticipation Note;
2. The certificate as to taxes and revenues to be collected during the fiscal year ending December 31, 2010, in accordance with Section 8126 of the Debt Act; and
3. A true copy of the proposal for the purchase of the Tax and Revenue Anticipation Note.

Closing on the Note is expected to occur on January 29, 2010. The Note will be dated the date of closing.

CITY OF READING
Berks County, Pennsylvania

(SEAL)

By: 
Mayor

Attest: 
City Clerk